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Executive Registry

63-7717

10 OCT 1963

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MEMORANDUM FOR THE RECORD

SUBJECT: National Security Council Meeting, Tuesday, 1 October 1963
at 10:00 a.m.

1. This meeting of the National Security Council with the President was to discuss the possible sale of wheat to the Soviet Union.
2. The Secretary of Agriculture indicated that the requirement was in the neighborhood of 3 million bushels at a cost of about \$200 million dollars. He stated that the wheat is available in surplus and that there also appears to be an offer to purchase corn. There was no indication of a requirement for cotton or oil.
3. Secretary Ball for the State Department stated that he was in favor of the deal as it would publicly indicate a communist failure after 40 years of effort; that it would direct Soviet gold resources away from hard goods such as munitions, etc.; that if we didn't supply it, it would break a long tradition of alleviating famine in Russia; that it would help maintain a low-key status quo for the next six months while we are discussing more important things; that if we did not go through with it it would serve Soviet propaganda aims; and finally it would do no particular good to reject the offer since the Soviets could get it from other sources.
4. The Secretary of Commerce also recommended doing it.
5. There was considerable discussion as to whether or not the President had to get formal Congressional approval and what the mechanics of sale and delivery would be.
6. Mr. Gilpatric for the Defense Department stated that they had no military or strategic problem if the deal was approved, and recommended that it so be.

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7. Upon a direct question from the President, I replied that our position was the same as the Defense Department and that from an intelligence viewpoint we had no problem with the deal.

8. Mac Bundy stated the practical problem was how to arrange it. The Secretary of Agriculture recommended that we tell the Soviets that we would not object to their making private contracts with private grain dealers and that we would issue export licenses to cover such contracts.

9. I received the distinct impression that the Administration would go ahead with the deal on this basis as soon as they had mended sufficient fences on the Hill to justify public support of the project.



M. S. C.

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INTERNAL SLIP

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